

Trends in student borrowing

July 1999

The proportion of student financial aid that consists of loans has increased over time. Federal loan programs are the major source of student financial aid. While loans allow some students to attend a postsecondary institution who otherwise could not, many are concerned that some students are increasingly burdened with high debts after graduation. The cumulative amount of loans incurred while students progress through their undergraduate studies is one measure of burden.

- The percentage of undergraduate students attending 4-year institutions who borrowed from federal loan programs during the academic year increased by about 11 percentage points at public 4-year and by 10 percentage points at private, not-for-profit 4-year institutions between 1992–93 and 1995–96. The average amount borrowed in each year also increased, from \$3,000 to \$4,100 at public 4-year institutions, and from \$3,600 to \$4,500 at private, not-for-profit 4-year institutions.
- The percentage of dependent undergraduates with family incomes of \$50,000 or more who ever borrowed from federal loan programs increased between 1992–93 and 1995–96 at both public and private, not-for-profit 4-year institutions. For example, in 1992–93, 21 percent of dependent undergraduates at public 4-year institutions from families making between \$50,000 and \$59,999 had ever borrowed. By 1995–96, 44 percent of undergraduates from families in that income range had borrowed.
- In both years, differences in attendance costs between public and private, not-for-profit 4-year institutions were reflected in the higher amounts borrowed by undergraduates attending private, not-for-profit institutions. At each class level, undergraduate students at private institutions borrowed more than those at public institutions.

Percentage of undergraduates who borrowed, and the average amount and average cumulative amount borrowed from federal loan programs, by control and type of institution and class level: Academic years 1992–93 and 1995–96

| Control and type of institution and class level ¹ | 1992–93 | | | | 1995–96 | | | |
|--|----------------------------|-------------------------------|---------------------------------|---|----------------------------|-------------------------------|---------------------------------|---|
| | Current Year | | Percent who ever borrowed | Average cumulative amount borrowed | Current Year | | Percent who ever borrowed | Average cumulative amount borrowed |
| | Percent who borrowed | Average amount borrowed | | | Percent who borrowed | Average amount borrowed | | |
| Total | 19.2 | \$3,186 | 30.6 | \$5,439 | 25.3 | \$4,041 | 37.7 | \$7,047 |
| Public 4-year | 24.5 | 3,007 | 36.0 | 5,915 | 35.4 | 4,130 | 47.2 | 7,904 |
| Freshman | 22.4 | 2,472 | 30.2 | 3,281 | 35.0 | 2,777 | 41.1 | 3,547 |
| Sophomore | 24.3 | 2,676 | 34.4 | 4,493 | 32.9 | 3,538 | 44.0 | 5,674 |
| Junior | 26.6 | 3,196 | 37.3 | 6,093 | 37.9 | 4,569 | 49.5 | 8,244 |
| Senior ² | 25.7 | 3,385 | 40.9 | 7,793 | 36.8 | 4,970 | 52.1 | 11,038 |
| Private, not-for-profit 4-year | 34.6 | 3,591 | 44.9 | 6,984 | 44.3 | 4,499 | 53.7 | 8,682 |
| Freshman | 33.9 | 3,041 | 41.5 | 3,566 | 43.5 | 3,237 | 49.5 | 4,017 |
| Sophomore | 33.8 | 3,083 | 42.1 | 5,611 | 45.8 | 3,970 | 52.6 | 6,945 |
| Junior | 37.6 | 3,915 | 47.5 | 7,722 | 48.5 | 5,287 | 58.0 | 9,880 |
| Senior ² | 35.4 | 4,193 | 48.7 | 10,023 | 42.9 | 5,564 | 56.4 | 13,159 |
| Public 2-year | 6.0 | 2,542 | 18.2 | 3,987 | 6.0 | 2,840 | 20.5 | 4,605 |
| First year | 5.2 | 2,346 | 16.3 | 3,510 | 5.1 | 2,546 | 17.8 | 4,188 |
| Second year | 6.9 | 2,768 | 19.9 | 3,943 | 8.6 | 3,175 | 26.2 | 4,987 |

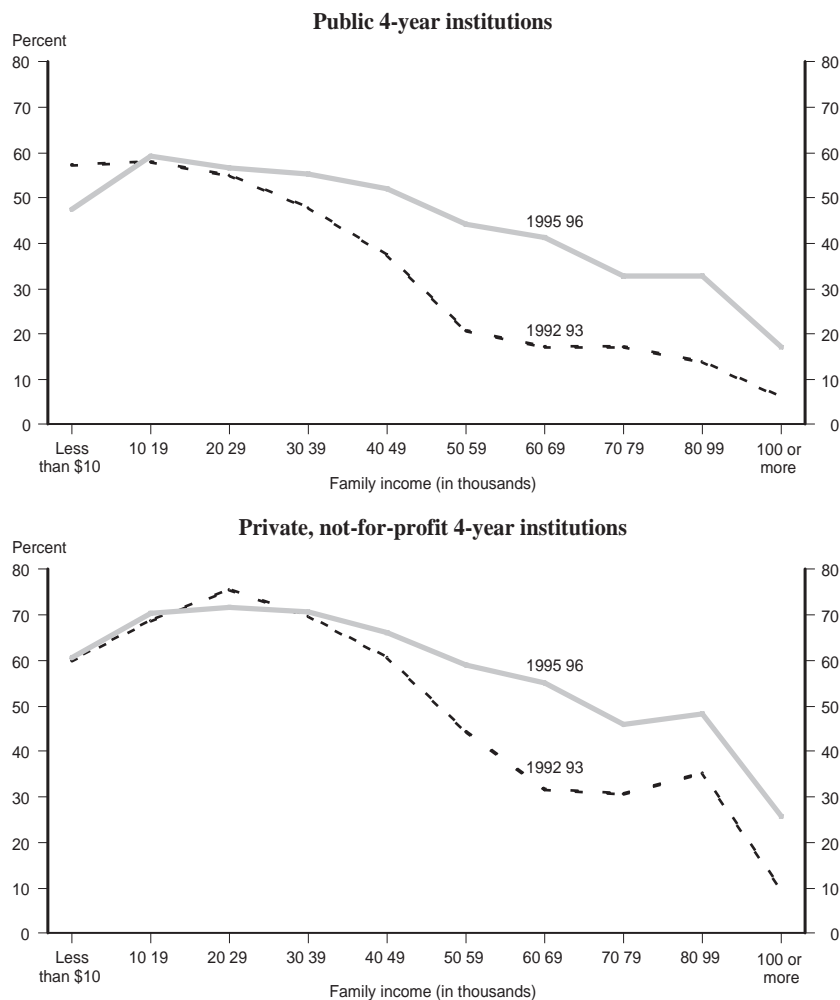
¹ Class level is based on credit accumulation.

² Includes 4th- and 5th-year seniors.

NOTE: Students attending more than one institution are excluded. Percentages and amounts for federal loan programs exclude Parent Loans to Undergraduate Students (PLUS).

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992–93 National Postsecondary Student Aid Study (NPSAS:93), and 1995–96 National Postsecondary Student Aid Study (NPSAS:96).

Percentage of dependent undergraduates who ever borrowed from federal loan programs, by family income: Academic years 1992–93 and 1995–96



NOTE: Percentages and amounts for federal loan programs exclude Parent Loans to Undergraduate Students (PLUS).

SOURCE: U.S. Department of Education, National Center for Education Statistics, 1992–93 National Postsecondary Student Aid Study (NPSAS:93), and 1995–96 National Postsecondary Student Aid Study (NPSAS:96).

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